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New User Acquisition in Affiliate Marketing

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Foreword

Affiliate marketing can be utilised for a range of brand objectives; its flexibility and risk-free nature adding weight to its ability for driving awareness, sales and leads. Dig a little deeper and you'll find what is in so many cases the overarching goal; driving new business.

Affiliate marketing is a space well-cultivated for the mission of reeling in fresh prospects. Connecting with a network provides instant access to thousands of publishers, brimming with an array of potential audiences, while having every activity work on the pay-on-results model allows for experimentation wherever necessary.

Of course, this billing can have an adverse effect. The year is 2016 and a portion of brands have started slashing commissions attached to driving existing customers to their stores. It's said that affiliate's glowing reputation in driving new business has also hampered its diversification away from this space presenting a major bump in the road to securing increased budget.

That said, every advertiser across B2B and B2C needs new business, which means opportunity galore for anyone in the industry.

Brought to you by PerformanceIN and The zanox Group, Europe's largest affiliate marketing network, the following supplement will aim to provide you with a state of play for new customer acquisition in the affiliate channel as the space enters a crucial phase in its development. Our resource promises an overview of its key attributes, coverage of some of the most important points surrounding the art of gaining new users and a glimpse at the ways affiliate managers are acquiring these in 2016.

A special thanks goes to our contributors from The zanox Group, The Hut Group, Phillips, Kleding, Metapeople, Equator and convertizer, whose insight was invaluable in the production of this edition.

We hope you enjoy the resource.

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Defining NEW Customers

Rarely in an environment as complex and broad as digital marketing are definitions clear-cut. More often than not, they are open to interpretation and the answer might depend on who you ask. Defining new customers is one of those grey areas.

What defines a new customer? With the varying buying cycles and products on offer, is it even possible to come up with a straightforward answer?

To get to the bottom of the debate, it's key to consider the most common interpretations and explore where the divide exists.

Defining 'new'

At the very basis of the uncertainty around this debate lies the meaning of the word 'new.' Some will classify a new customer as one who has never before made a purchase from a given brand. Checks can be made through CRM systems and other tools widely adopted in today's day and age. If they have never purchased before, their data is new to the system and to the brand also.

"In most cases this is, however, not the actual definition in place," argues Valentina Piol, vice head of affiliate for digital agency Metapeople, who explains that this would only work for products customers tend to only purchase once, such as life insurance.

"The timespan between the last purchase and the next one can already make the difference in the definition of an existing vs new customer," she adds.

Equally, email could be an alternative. The Hut Group's Madeleine Cross views a new customer as someone who has actively engaged with a brand through making a purchase, which she traces back to their email account.

"By defining a new customer through their first purchase you can also look to group them based on what they have bought and how this will affect their purchase decisions later," she explains.

The flaw of email, however, is that users typically have at least two addresses: for professional and personal use.

The focus on varying periods of time is the basis of yet another definition of a new customer, by which 'new' means those who haven't bought anything from a brand within a certain period, like the past year.

Data is one way to measure this and Piol believes new customers could be defined as those without an account in the online shop.

"Another approach, normally when talking about services based on contract with defined run times, is looking to the customer base actually having contracts in for the past 12-36 months," she explains.

There's also the idea that new customers are those who have got an initial record, whether or not they have purchased anything, because this is how a database is populated.

The cookie divide

The solution often supplied to affiliates and one that can shed some light on the potential definition is the 30-day cookie period: a common measurement of 'new' and 'existing' customers.

For zanox, the generic cookie rule serves most "pragmatic" needs of the industry by setting a clear line in tracking a conversion.

It can be argued, however, that 30 days, or any other agreed timespan, is too general an approach, considering a buyer's journey can vary dramatically depending on what they are after.

Lauri Koop, MD Benelux & CEE at zanox, cites package tours as an example of something consumers spend a lot of time researching before committing, as opposed to "low-barrier products". Shoppers would usually explore a number of offers to find the best deal, so travel agents should treat each customer as new and one to be 're-acquired'.

"The reality is that most customer journeys take longer as the consumer gets more input variables," Koop adds.

Piol agrees that the customer journey must be taken into account in any definition.

"If it comes to telco or insurance products, the timespan until a purchase decision has been made is most of the time longer compared to, for example, a retail product."

Unnecessary pigeonholing

Conversely, not everyone agrees on a need for a definition. Some argue that affiliate should focus on solving the issues that sparked the search for a universal interpretation in the first place.

Koop believes the key here is to know how defining new customers helps companies drive their investments and define their KPIs, adding that an "artificial" definition of new customers fails to add value, especially for publishers.

"Brands sharing definitions that are clearly internal, along with data about new customers, can help publishers with better targeting. Giving new business targets to publishers without sharing any data does not make sense," he explains.

Going further, Koop argues that brands themselves should pick the moment when to acquire (or re-acquire) clients as opposed to when they need to keep customers using their CRM.

Piol also believes there's more to consider here than just definitions, and that being aware of a customer's lifetime value is key, as without it, it is impossible to assess the importance of each profile.

Unfortunately this KPI is often left "out of consideration", she states.

"Even less who know their CLV explicitly outlay this information to the agency or even the top partners in order to make more in-depth analysis and adjustments to the operational strategy."

Although the new versus existing customer debate brings more uncertainties than clear answers, the conversation it sparked has brought plenty of new ideas and measurement options for the industry. Even though taxonomy is still a loss, there are enough ideas to define 'new' and 'existing' customers should brands need them.

With the amount of conflicting views, inaccurate measurement systems and potential conflicts of interest, however, it's unlikely a single definition will appear in marketing dictionaries any time soon.

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Glowing R

Affiliate's Glowing Reputation in New Customer Acquisition

For all that's said about driving customer loyalty – providing tailored services to your existing user base and so on – it's fair to say that growing the audience of potential buyers will often sit squarely at the top of advertisers' objectives.

That's not to shun the importance of customer retention, which has a crucial part to play in a business's day-to-day commercial value, while the cost of retention is just a fifth of that of driving new sales, according to an oft-touted adage.

Despite this, the stats in favour of cashing out on new customers are hard to ignore. In one of many examples, research from Gartner states that 80% of a company's future revenue will come from just 20% of its existing buyers.

But while marketing teams paled at the costs attached to driving fresh buyers, the affiliate marketing industry has been quietly carving out a reputation as something of a channel gifted for this very aim.

Let's take five minutes to pay tribute to what makes affiliate marketing such an effective medium for quarrying new business.

Dynamicity

For Phillips' online performance manager, Robin Bodde, affiliate offers an untethered, and in some ways still unchecked diversity, which allows marketers access to a variety of new audiences via a range of platforms, less limited by some of the constraints of alternative channels. It is, Bodde believes, simply a whole lot more dynamic.

"The uniqueness and power of affiliate marketing comes from the fact that promotions via affiliates aren't restricted to any rules regarding a maximum number of characters in an AdWords ad, for example," Bodde comments.

"Affiliates are able to provide much more information to the consumer compared to PPC and display."

It's not to say that other channels are brought down by a siloed approach. When advertisers want to target via search, they perform SEO or invest in PPC. With affiliate, though, the possibilities range far and wide, as Bodde indicates.

"Unique content, for example, is a very powerful and effective tool to get consumers enthusiastic about your brand or product and influence them to visit your brand or webshop."

Low risk

For the advertiser, by its fundamental architecture, affiliate marketing puts very little cost at stake. Aside from fees charged by an agency or network, advertisers will only pay the cost of a click or conversion driven through an affiliate programme. This slashes the otherwise hefty overheads associated with pulling in new customers via other channels.

eputation

"The CPA commission model of the affiliate channel makes it a very effective new customer acquisition tool as you can test out new customer strategies with a managed cost, especially compared to PPC and display," comments Madeleine Cross, head of international marketing for The Hut Group's beauty division.

Because there is little at stake, advertisers and affiliates are able to be more empirical with the offers, audience segmentation and creative they're using; a generous degree of trial and error is available that isn't easily matched by competing channels.

For the affiliate, on the other hand, developments in attribution are steadily mitigating the risk of not being rewarded fairly for influencing purchases beyond driving the last click.

Affiliate Window, part of The zanox Group, for example, introduced technology allowing for the identification of affiliate influence across devices, having found that 67% of consumers make e-commerce journeys on more than one piece of technology. Meanwhile, networks are also able to provide incentives for solely assisted sales, recognising that the channel has a valid role in influencing actions beyond the final transaction.

Long tail

At the crux of affiliate marketing's success in driving new customers and arguably its single most important USP is the reach advertisers are able to achieve via publishers, and the breadth of audiences that can be tapped into.

While continuing to play a valuable role in the affiliate mix, the power of this ecosystem for advertisers no longer relies on price comparison and incentive sites. More and more, advertisers are able to proactively leverage the deep audience insights and knowledge held by publishers, allowing them to target specific audience segments, in granular detail, with tailored offers.

This new breed of affiliate opens a lid on identifying audiences with clearly defined interests and values, notes Cross, with the potential return being an in-flow of fresh, highly-relevant, conversion-ready traffic.

"In a world where customers are increasingly engaging with brands through social media and blogs, influencers can offer brands the reach and authority that they can't get through other sources.

"Bloggers are not the only affiliates that play a part here; content affiliates and even voucher affiliates bring with them a group of loyal followers, readers and subscribers that can be targeted with specific offers and content. They can give a brand credibility and a targeted reach, without a huge price tag," says Cross.

As a result of diversification and smarter implementation, retailers that once turned their nose up at the channel have woken up to its ability for niche-specific targeting. Catering exclusively for the brand-conscious luxury market, publishers Sheerluxe and SoSensational, for example, attract some 300,000 visits per month.

While driving repeat customers through organic, social and email channels, affiliate marketing holds somewhat of a monopoly on new customer acquisition. It is also a victim of its own success, as evidenced in the '0% commission debate', but positives have been found in some advertisers beginning to reward the driving of new customers rather than penalise those returning.

It's a small but significant change in attitude, which reflects an ever-growing respect for affiliate's best hand, and unmatched value within multiple stages of the purchase funnel

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Is 0% for Existing Customers Right?

The tendency to pay low or no commission on sales from existing customers, although controversial, is no breaking news.

Like many issues, it gets pushed aside and reemerges occasionally to strike the nerve of the people concerned: in this case the advertisers on one side and the publishers on the other.

The rationale behind this trend is rewarding affiliates for driving new customers. In one example, a clothing brand may offer commission to an incentive site for encouraging a user to make their very first purchase with them, only to drop this rate significantly on the repeat purchase if they feel that same person would have gone on to buy something without the extra push.

A few basic Google searches reveals a hefty batch of advertisers that operate in a similar way, and still have huge numbers of publishers on their books.

However, it's fair to say this has not been welcomed by some of the very affiliates who make their living from commissions on converting customers. Without commission, they don't make money, and while plenty of techniques exist for getting new customers onto their sites, often it's a case of chance as to which type of buyer comes through the door.

Affiliate vs advertiser

'Blatant manipulation', 'stealing', 'career-killer' are just a few of the words used to describe our subject on PI's affiliate forum.

Logic would dictate that from the affiliates' point of view, missing out on their fair share of the transaction is unreasonable. After all, the advertiser got their sale and the customer got their product, so why is the affiliate left with nothing?

Some consider the low or 0% commission on existing customers a 'punishment', exercised on them for the lack of added value. By driving customers, though, new or not, they prove to have an influence on buyer decisions. If they didn't, advertisers would be wasting their time by working with them in the first place.

As the competition is fierce and the amount of shoppers finite, reducing commission on existing customers might come across as counter-intuitive, even if it brings marketers a saving in the short term. The argument repeatedly brought up in debates is that advertisers need to understand the value in retaining existing customers. Otherwise they risk losing not only buyers, but affiliates too.

The latter is adamant of this, and not afraid of speaking up.

"If a merchant wants to pay me 0% for repeat business then I'm actively going to promote his opposition, who will pay me. So, in effect, his 0% will not maintain his business – it'll lose him customers," said one affiliate on the PerformanceIN forum.

'Unnecessary tax'

The question advertisers have been asking themselves is that if they value the sale, should they reward it?

For merchants, picking up new business indicates growth and they are often keen to incentivise new customer acquisition but also keep the cost of sale profitable. If they can justify low or 0% commission on existing customers, and this is accepted by the publishers on the programme, where is the pressure to pay out?

Arguably, some consider commission on existing customers an 'unnecessary tax' they feel shouldn't be paid over and over again.

From the experience of Optimus Performance Marketing, the UK-based agency running a number of affiliate programmes on the behalf of its clients, differential commissions are applied in some cases, with lower amounts paid on low-margin products or when a voucher code has been used. The line here is that it comes from the affiliate commission having a large effect on the profitability of a transaction.

For

❝ Arguably, some consider commission on existing customers an 'unnecessary tax'

Against

❝ The advertiser got their sale and the customer got their product, so why is the affiliate left with nothing?

"This is always based on a genuine business case and clients appreciate the lifetime value of a customer through the channel and reward appropriately," says Bruce Clayton, director at the company.

Blurred lines

The new versus existing customer is the key metric here, yet vague definitions of buyer profiles cause plenty of controversy. If someone made a single purchase a few years ago and comes back to the site, do they count as new or existing?

"My own background is in online fashion retail where we set our commission rates based on criteria that were clearly visible to publishers," says Sean Mahon of digital agency Equator.

"That would see lower commission on sale items, higher commission on own-brand products, and things like that.

"At least publishers knew what they were signing up for and could promote accordingly. With precious little information being shared between advertisers and publishers on what constitutes a 'new' customer, I deem the trend of paying 0% or near to be an incredibly unfair treatment of affiliates."

At the same time, affiliates can't normally check whether the buyer they target is registered with the merchant or not. Some go as far as saying marketers should prove to the network each time the customer is 'existing' and if they can't, they should pay a new customer commission.

As well as the advertisers and publishers, lower or 0% commission is a huge challenge for those in the middle: the networks and advertising bureaus like the IAB.

Many affiliates express the need for a platform to voice their concerns and building a merchant review system is one of the ideas to bring more clarity to the process.

Others claim it all boils down to developing loyalty with good salespeople for far-reaching benefits, while Chris Johnson, head of affiliate operations at Vouchercloud, suggests more education is needed to improve the affiliate/brand relationship.

"It's important to have transparency on the reasons why this is happening and also to clarify the new or existing customer divide," he comments.

Cases for and against lie on both sides of the argument, while the advertisers and publishers seem intent on sticking to their convictions. The point of contention is reaching its peak, but is likely to rage on for some time yet.

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Why You Need to Look at Lifetime Value

PANELISTS

Robin Bodde
Online Performance Marketing Manager
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Dominic Asche
Co-Founder
Convertizer

Reeling in new customers is all well and good, but how do you differentiate between the one-time buyers and the loyal purchasers? Our experts explore the need for lifetime value to enhance targeting through the affiliate channel.

How important is lifetime value in affiliate marketing?

Robin Bodde: Lifetime value is very important within affiliate marketing, especially when looking at bloggers and content sites who act in the early stages of the customer journey. They are able to inspire and influence new customers to visit your website by creating unique content. The lifetime value of the traffic they send to your campaign is very important. With affiliates who are active in later stages of the consumer journey, I personally don't see the importance of assessing their own lifetime value since in most cases the conversion would have already taken place without their interference.

Peter Langenkamp: Since one of our sites, Fashiola, is fully optimised for CPA, we have to calculate the new visitor or customer value in order to be profitable. This is quite hard and is only possible with data from at least three to four months back. But without this approach, we would not be able to do marketing. In short, we can increase our budget for new visitors when they come back more often, which makes it easier for us to do our marketing on a larger scale. In that perspective, the lifetime value is key for us.

Dominic Asche: From an advertiser perspective, if you don't build a strong relationship with your buyers, you'll be unable to scale your business as the cost to acquire new customers will never drop. Lifetime value analysis should be your breakfast every day. However, I believe that today's affiliate landscape doesn't understand the power of using lifetime value calculations – especially from a publisher perspective. There should be a market for selling high quality customers, as well as orders, and creating new business models for customers that buy more than once.

Is there anything you use to find out the lifetime value of a buyer?

PL: We combine the data from our own marketing channels and platforms with data from the affiliate networks, so we can see which visitors converted and the marketing channel that directed them. This makes it possible to make calculations on past performance and assumptions for the future.

> Creating volume is also a short-term approach, whereas a long-term relationship with good publishers will eventually provide more ROI.

DA: We feel the time is up for last-cookie tracking. Having multi-channel and customer journey tracking in place is a must, while the next step is to attribute value from channels and orders. But don't go with a pre-set attribution model; find your own, as you'll probably have one for every customer.

Has the 'race to the bottom' impacted who publishers manage to pass over to the merchant?

PL: The whole discussion about last click is really something for advertisers with a short-term view and publishers who have no self-confidence. Advertisers who only pay for last click will get a certain quality of traffic. Publishers who only focus on sending traffic as close to the actual transaction as they can, without adding any value, will not last long. We have a long-term vision and like to work with advertisers with that same approach. We are very much focused on converting traffic, so we'd rather keep visitors on our site a bit longer and give them more time to make that final buying decision, instead of sending them to the shop as soon as we can. And we want to be rewarded for sending the high quality of traffic that we do. Our numbers show that we actually are able to create more revenue through CPA, which is also what advertisers want.

Are advertisers doing a good job at looking into lifetime value, rather than gunning for volume?

PL: Not always. I don't necessarily agree that merchants should differentiate the commission for new and existing customers and I have no idea why they think it's good to do that with mass media campaigns. When they see the efforts we go to in order to get customers *overall* to buy, they should reward that accordingly. In my opinion, creating volume is also a short-term approach, whereas a long-term relationship with good publishers will eventually provide more ROI.

DA: I feel, and I know it from my everyday experience, that around one in every 10 advertisers is able to explain to you what lifetime value is, and how he or she is calculating it. Despite this, 10 out of 10 will tell you that they are experts. It's a funny subject in that way.

6 New Customer Acquisition Techniques

Advertiser co-ops

Everyone that's ever booked a flight knows that getting a seat on a plane is just the start of it. There's the extra baggage allowance and the chance for speedy boarding, which the airline controls, as well as the car hire and option to book accommodation, which it doesn't.

Advertising on the behalf of hoteliers and other services makes perfect sense for the airline. They often gain commission from services that are intrinsically linked to the ones they're selling, and without having to contend with handing business to a competitor.

One of the biggest advertiser 'co-ops' in the UK concerns fashion group ASOS and food service Graze. Through packaging unique voucher codes into parcels containing items from the former, Graze can reach a host of potentially new customers.

With the testing phase well underway, don't be surprised to see more companies in other areas starting their own affiliate partnerships.

Influencer marketing

Tapping into the web properties of celebrities, athletes, YouTubers, Instagrammers and Snapchatters is a sure-fire way of reaching huge audiences within the blink of an eye.

The affiliate model has done wonders in helping influencer marketing establish itself as a legitimate channel; giving popular figures an easy chance to earn from their following while saving the advertiser the duty of trading heaps of cash for a mention in a couple of posts.

For an example of influencer marketing in action, see the above tweet from Aaron Paul of TV show 'Breaking Bad', promoting taxi service Uber.

Voucher codes

Incentivisation is still a huge part of the affiliate channel and providing unique voucher codes, made especially for those purchasing for the very first time, is a great way to get fresh prospects buying and engaged.

There are myriad ways of determining a new and existing customer, with a presence on the newsletter database and login data informing some advertisers of who is actually buying for the first time. The problem for voucher sites (and any incentive publisher, for that matter) is being able to prove they are more than an introductory mechanism, which has led to advertisers slashing commission on existing customers among other measures.

T Advertisers working together, Breaking Bad stars selling taxi rides… Customer acquisition is a new beast in affiliate marketing, and here are six techniques worth exploring.

The 'long tail'

Content publishers represent a great way of tapping into new audiences and at a very early stage in their purchase journey.

While content exists in many forms, written how-to guides and product reviews are among the types of things that people turn to when weighing up a new purchase. However, even very basic forms of inventory can have an impact if placed on the right sites.

In pursuit of new audiences for a line of sportswear, a fashion brand may tap into publishers that can reach the sort of people they're after. In a similar way, a FMCG brand launching a product geared towards a younger target market could look to connect with a publisher that gets high traffic from 18–24 year olds.

The trick for advertisers is to engage bloggers on a one-to-one; educating them about the affiliate model, explaining what they can do with their traffic and to act before freebie-wielding PRs.

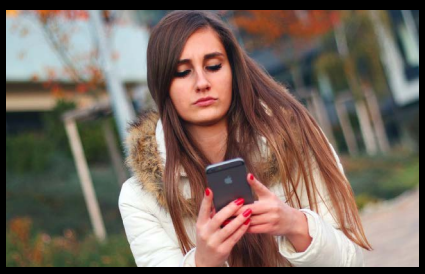
Most advertisers and agencies are talking a good game when it comes to placing more focus on content, rather than the 'quick wins' incentivisation provides, so expect use of these publishers to grow in the coming years.

Free tools

For any advertiser with an app development arm or similar, supplying free tools should be one of the many techniques to explore when engaging new customers.

Think mortgage calculators for first-time buyers; something they can use on a day-to-day basis with a brand in mind when it comes to the next steps. Circulate this on a CPI and the advertiser has a cost-effective way of reeling in new business.

In some cases, the hard work can be done by an app developer through sponsorship, but tying this back to the performance model could prove difficult.



Offline marketing

Affiliate is recognised primarily as an online entity, although advances in technology are broadening its reach.

Advertisers looking to get more people into their bricks-and-mortar stores have been using techniques like geofencing to ping out notifications to smartphone users within a catchment area. By working with daily deal apps, for example, advertisers can link up with Bluetooth-powered Beacons to send out alerts to offers nearby.

Initiatives of this ilk are something of a grey area, with plenty of questions surrounding who exactly should be leading them. However, with plenty of incentive publishers having their own apps, there is certainly a case for affiliate's involvement.

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New Customer Acquisition Through a Tailored Approach

If there's anything to be taken from PerformanceIN's examination of new customer acquisition in affiliate marketing, it's that different industries have a markedly different set of techniques, challenges and opportunities when it comes to gaining new business.

In some spaces, content has the edge over incentivisation; some of the techniques touted in one sector would be laughed out of the door in another, while the profile of a fresh prospect changes on a case-by-case basis.

Image Credit: Freepik – http://perfo.in/2bRfZxq

It's not to say there isn't a heavy amount of crossover when it comes to groups within B2B and B2C. For the latter, voucher codes are a good way of engaging prospects across fashion, FMCG, sports, consumer electronics, travel and many other areas. Nuances and scenarios across each market do however exist, which makes things a tad tricky for affiliate managers operating a range of accounts.

The awaiting audience

One look at the beauty sector shows just how hard brands must work in order to provide the crash mat for their prospective buyers. The customers are always there, according to Madeleine Cross, head of international marketing for the Hut Group's beauty division, but there is no shortage of businesses ready to serve them.

"In general, the beauty sector has a wealth of potential new customers because of the huge range of products, prices and target markets. The challenge for beauty brands is the level of competition that exists in part against established names and also niche 'up and comers'. You therefore have to really stand out in the market to acquire new customers."

Differentiation in this case is delivered via education into the brand, its values, its products and anything else that can encourage someone to choose one item over another.

"If someone is completely new to your site then you should be educating them about the brand and what you have to offer as well as encouraging them to continue engaging," states Cross. "This could be through content emails, links to the social pages or introducing them to new trends and products."

Widely recognised as a CPA-driven channel up until very recent events, affiliate marketing is actually starting to show signs of promise in the 'education' phase. Its reputation in driving awareness at early stages in the funnel may well be aided by partnerships with influencers and a revised focus on content sites, both of which should prick the ears of companies in competitive areas like beauty and fashion, where consumers buy into the brand as much as its next line of products.

The cross-channel approach

Servicing another industry bringing a fresh wave of challenges in acquiring new business, the affiliate managers acting on the behalf of airlines, hotels, car rental services – all cramming into the multi-billion behemoth that is 'travel' – also have plenty of competition to contend with.

For Sean Mahon, affiliate team leader at digital agency Equator, part of the battle is fought alongside other channels vying for attention.

"We're seeing an increased prevalence of OTAs [online travel agents] in the travel market, but we're also seeing big moves from the likes of Google with their Hotel Price Ads and the roll out of price extensions for mobile text ads."

Travel-specific inventory by some of the biggest players in advertising is challenging marketers to think much smarter and about where their money is best spent. It's the sort of scenario that has contributed to agencies thinking more about how channels and departments can work together for blanket coverage and better performance.

"I think it's fair to say from an integrated marketing perspective," adds Mahon, "and as an agency with quite a few big name hotel brands, the travel sector is becoming an increasingly more busy and competitive space to participate in. I think these changes have caused travel brands to sit up and take stock of what it is that makes their offering unique, and what they need to do to make customers come directly to them."

The one-time buyers

Repeat buyers are the holy grail to people like Madeleine and Sean – both working in fields where purchases can be made within days of each other, which isn't the same for the telecommunications sector.

Lifetime value is the phrase stressed from pillar to post by advertisers wishing to target people that are certainly worth the effort in the long run. For telco service providers like BT and Virgin, one purchase may be enough for the year or longer, which makes information on those showing intent to purchase a coveted item.

Data can be obtained via third parties and aside from going to a company that specialises in list-building, there is an option to do this through existing relationships with publishers.

For the consumer, buying a new plan entails research in the form of reviews, advice and any other collateral that can inform their decision. Historically, the 'longtail' of affiliate sites has been cited as a useful tool for targeting people at the start of their journey. With data capture in place, publishers have a highly valuable source of information which could set advertisers up for some very important conversations.

But the importance of data partnerships isn't solely applicable to telecommunications. Resources are also available to advertisers – or 'companies' in this instance – that seek guidance on new technology and other services. For B2B vendors, getting onside with the publishers of these resources could prove crucial to new customer acquisition.

Looking forward

Every company has a different way of acquiring new customers, but it's imperative that affiliate marketing is close to these conversations. For companies in beauty, travel, telecommunications and more, the channel can act as a cost-effective method of getting new buyers onside, and an avenue for risk-free experimentation.

What will be interesting is how these groups respond to change tipped to engulf the affiliate landscape. Beauty groups make a suitable match for influencers, capable of attracting new audiences on relevant platforms like Instagram and Twitter, whereas it will be interesting to see how the OTAs retain their position in the travel space.

Of great importance is data, and using that to inform where budget is best allocated as well as the overarching strategy for targeting new buyers. It's a point well-stressed, but as technology develops and advertisers embrace smarter ways of targeting audiences, it's easy to see an influx of strategies backed up by figures.

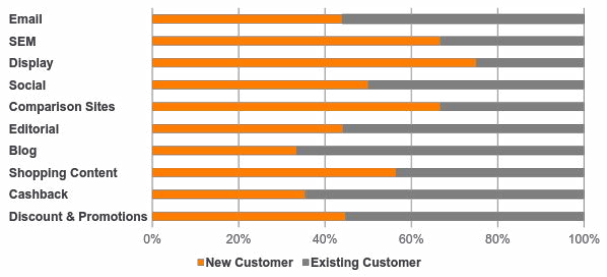
An Examination of Channel Performance

The Netherlands v France

New Customer Existing Customer

In this graph, we can see new customers in the Netherlands responding well to display advertisements, which have great rates of conversion. Search engine marketing and comparison sites are also performing well in terms of reeling in new business, while cashback and blog sites are more skewed towards existing customers. This suggests that awareness campaigns delivered via display and paid search can help boost rates of purchasing among new buyers.

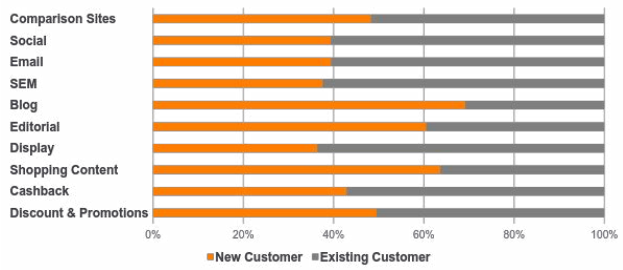
NETHERLANDS – SUBVERTICAL CONVERSION



zanox.

Unlike their Dutch counterparts, new customers in France respond very well to blog sites and editorial – perhaps to get the lowdown on what they're buying – with display performing much worse. Discounting and cashback prove fairly popular, which suggests incentives could help draw in new crowds.

FRANCE – SUBVERTICAL CONVERSION



zanox.

We've all taken advice from experts offering their thoughts on new customer acquisition, but how crucial is it that your pointers come from a source close to home? With data from zanox, we took a look into how customers respond to different channels in France and the Netherlands, where you'll see stark differences in channel performance and roles.

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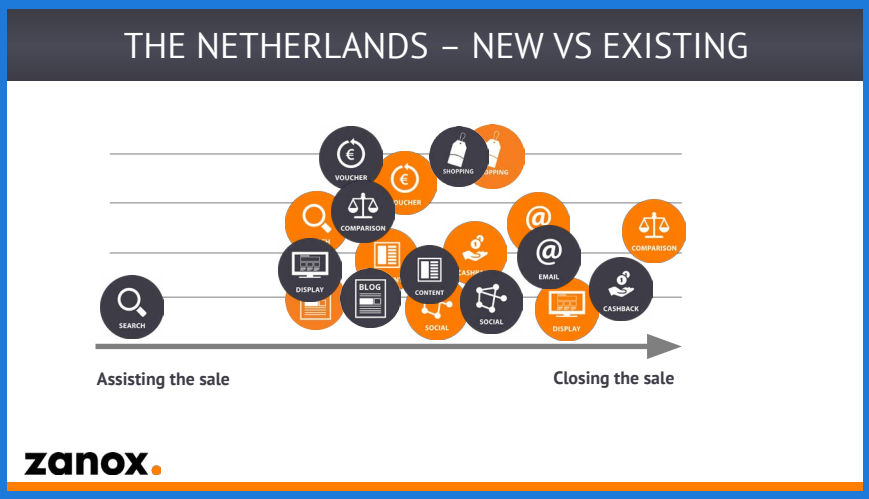
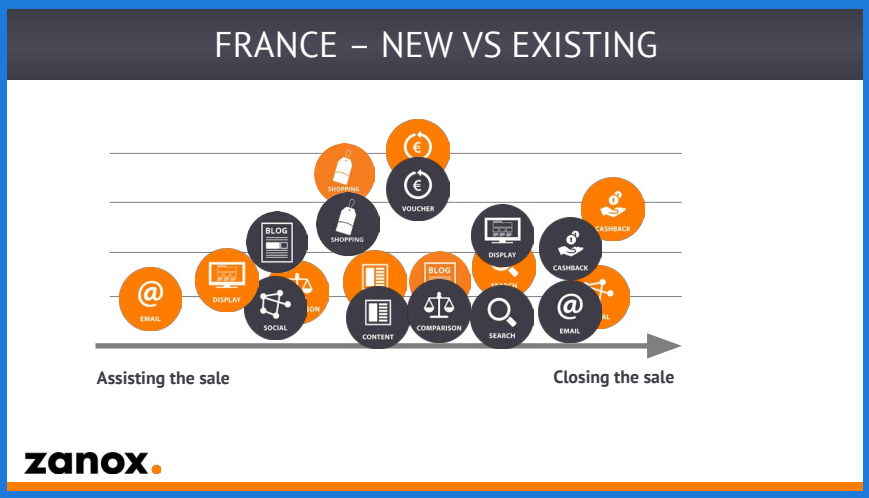
New Customer Existing Customer

As we drill down and look into the position of each channel in closing the sale – or their point in the click chain – we can see cashback performing well in terms of gaining business from existing customers. For new customers, the channel is in the middle of the pack, with comparison sites and display heading up the leaderboard in this case.

Vouchers are even further back, and it certainly goes to show that perceptions around the 'last click' and its suitability for incentive publishers is certainly up for debate.



Looking into the click chain among French customers, cashback does have the edge both for new and existing business. What's interesting is email being far up the chain in the Netherlands, but the furthest back in France.



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